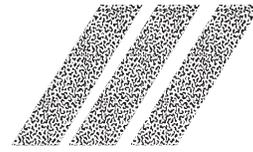


Case Study 9 Solution

Juno Community College



Important Points

- ◆ Before calculating the refund and repayment, the school must determine how much of the loan Jill may receive as a late disbursement. The amount of the late disbursement may not exceed Jill's documented educational costs for the enrollment period incurred while she was still enrolled and not covered by other aid or the student for institutional costs.
 - All of her institutional charges were covered by the State Grant.
 - Noninstitutional costs incurred are calculated:

Books and supplies	$1/2 \times \$200$	=	\$100
Other noninstitutional costs	$2 \text{ weeks}/15 \text{ weeks} \times \$2,700$	=	\$360
Total noninstitutional costs incurred		=	\$460
 - Because all of her institutional charges were covered by her State Grant and the cash disbursement of her Federal Pell Grant (i.e., \$1,200) was greater than the amount of noninstitutional costs incurred, Jill is not eligible for a late disbursement of the loan.
- ◆ Because Jill is not attending the school for the first-time, the Pro Rata Refund requirements do not apply. Because there is no state or approved accrediting agency refund, the school must calculate and compare the amount of refund that would be due under the school's refund policy and the Federal Refund Policy, and pay an amount that is at least as large as the larger of the refunds calculated.
- ◆ Jill withdrew after completing 13% of the period of enrollment for which she was charged (i.e., 2 weeks divided by 15 weeks), which is after the first 10% but before the first 25%.
- ◆ The entire \$210 refund is returned to the Federal Pell Grant Program even though none of Jill's Federal Pell Grant was used to pay institutional charges.



WITHDRAWAL RECORD

1. Student Information

Jill 9/8 9/17
 Name Start Date Withdrawal Date/LDA
15-week semester 9/17
 Length of Enrollment Period Date of WD/LDA Determination

2. Program Costs

	non- inst.				non- inst.		
<input checked="" type="checkbox"/>		Tuition/Fees	350			Personal/Living	
		Administrative Fee				Dependent Care	
<input checked="" type="checkbox"/>		Room & Board	2,700			Disability Costs	
<input checked="" type="checkbox"/>		Books & Supplies	200			Miscellaneous	
		Transportation				Miscellaneous	

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: 350 **A**

TOTAL Noninst. Costs: 2,900 **B**

TOTAL Aid Paid To Inst. Costs: 350 **C**

TOTAL Paid To Inst. Costs: 350 **D**

TOTAL Aid Paid as Cash: 1,200 **E**

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/8	State Grant	350					
9/8	Federal Pell		1,200				

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.)

YES NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period.

YES NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round DOWN to the nearest 10%:

*For credit-hour programs:
 $\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN}} = \dots\dots\dots$

For clock-hour programs:
 $\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN}} = \dots\dots\dots$

*For correspondence programs:
 $\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS}} = \dots\dots\dots$

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

•Administrative Fee (up to \$100 or 5%, whichever is less)	+	0
•Documented Cost of Unreturnable Equipment	+	0
•Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal)	+	0
TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only):	=	0

Pro Rata/Federal Refund Institutional Costs:

350 **A** — 0 = 350 **A**
 Total Institutional Costs Total Excludable Inst. Costs

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."



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REFUND CALCULATION WORKSHEET

Institutional

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	350	Total Institutional Costs (from Withdrawal Record)	(A)
—	350	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	(C)
=	0	Scheduled Cash Payment (SCP) (attribution not allowable)	
—	0	Student's Cash Paid (from Withdrawal Record)	
=	0	UNPAID CHARGES	

STEP TWO

Amount Retained

*Use the percentage specified by the State, accrediting agency, Federal Refund Calculation, or institutional refund policy being used for this calculation. For first-time students who withdraw on or before the 60% point in the enrollment period (see Withdrawal Record for details), a statutory *pro rata* refund must also be calculated. For every student receiving SFA funds, the school must compare the possible refunds and use the calculation that provides the largest refund.

	350	Total Institutional Costs (from Withdrawal Record)	(A)
X	40%	% Allowed to Retain* (from refund policy being used)	
=	140	Initial Amount Retained By The School	
—	0	UNPAID CHARGES (from Step One)	if this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).
=	140	AMOUNT RETAINED	

STEP THREE

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	350	Total Paid to Institutional Costs (from Withdrawal Record)	(D)
—	140	Amount Retained (from Step Two)	
=	210	REFUND AMOUNT TO BE DISTRIBUTED	

REFUND DISTRIBUTION—Prescribed by Law and Regulation	
TOTAL REFUND	210
1. Federal SLS Loan	8. Federal Perkins Loan
2. Unsubsidized Federal Stafford Loan	9. Federal Pell Grant 210
3. Subsidized Federal Stafford Loan	10. FSEOG
4. Federal PLUS Loan	11. Other Title IV Aid Programs
5. Unsubsidized Federal Direct Stafford Loan	12. Other Federal, state, private, or institutional aid
6. Subsidized Federal Direct Stafford Loan	13. The student
7. Federal Direct PLUS Loan	



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FEDERAL REFUND CALCULATION WORKSHEET

STEP ONE*

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	350	Total Institutional Costs (from Withdrawal Record)	(A)
—	350	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	(C)
=	0	Scheduled Cash Payment (SCP) (attribution not allowable)	
—	0	Student's Cash Paid (from Withdrawal Record)	
=	0	UNPAID CHARGES	

STEP TWO

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	350	Federal Refund Calculation Inst. Costs (from Withdrawal Record)	(A1)
X	50%	% to be Refunded (from the regulatory policy)	
=	175	REFUND AMOUNT TO BE DISTRIBUTED	

***NOTE:** Because calculating a Federal Refund in this manner does not show the amount retained by the school, the subtraction of unpaid charges from that amount is also not shown. However, the unpaid charges amount must still be calculated for the student because the refund process may result in the school not keeping the full amount it is allowed to retain under the Federal Refund Policy. In such a case, the school may collect the remaining balance from the student (the unpaid charges amount).

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Federal SLS Loan 2. Unsubsidized Federal Stafford Loan 3. Subsidized Federal Stafford Loan 4. Federal PLUS Loan 5. Unsubsidized Federal Direct Stafford Loan 6. Subsidized Federal Direct Stafford Loan 7. Federal Direct PLUS Loan | <ul style="list-style-type: none"> 8. Federal Perkins Loan 9. Federal Pell Grant 10. FSEOG 11. Other Title IV Aid Programs 12. Other Federal, state, private, or institutional aid 13. The student |
|--|--|



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REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses
Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on Withdrawal Record) may be retained at differing rates and then totalled.

	NONINST. COSTS (from Withdrawal Record)				EXPENSES ACTUALLY INCURRED (from school's repayment policy)
Room & Board	2,700	X	2/15	=	360
Books & Supplies	200	X	1/2	=	100
Transportation		X		=	
Personal/Living/Misc.		X		=	
TOTAL COSTS (B)	X			=	460
					TOTAL INCURRED

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

	1,200			Total Aid Paid as Cash (from Withdrawal Record) (E)
—	0			Cash Paid from FFEL/Direct Funds
=	1,200			TOTAL CASH DISBURSED

STEP THREE

Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

	1,200			Total Cash Paid to Student (from Step Two)
—	460			Total Costs Incurred (from Step One)
=	740			REPAYMENT AMOUNT TO BE DISTRIBUTED

If this amount is \$100 or less, the student owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

TOTAL REPAYMENT	740
1. Federal Perkins Loan	
2. Federal Pell Grant	740
3. FSEOG	
4. Other Title IV Aid Programs	
5. Other Federal, State, private, or institutional aid	



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